Southeast Alaska Economic Update

Southeast Conference
Haines, September 15-17, 2009
Population Has Declined Slightly
Borough/census area populations, 2000 and 2008

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
A Rough U.S. Recession
OTY% change in jobs, Jan. 2007 – Aug. 2009

Source: U.S. Department of Labor, Bureau of Labor Statistics
The Damage So Far:
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6.9 Million Jobs Lost since December ’07
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- Local Government budgets suddenly a concern (sales tax, investment income); affects government, construction, retail
State’s Job Growth Has Dried Up

OTY% Change in Jobs, January 2007 – August 2009

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
Alaska’s Economic Drivers:
Two of the Three Big Slices Have Fared Relatively Well

Source: Scott Goldsmith, Institute of Social and Economic Research
And Southeast?

OTY% Change in Jobs, Jan. 2007 – July/August 2009

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
Jobs Added or Lost
Change in jobs from 2008 Q1 to 2009 Q1

- Retail Trade
- Leisure and Hospitality
- Construction
- Transportation
- Manufacturing
- Natural Resources and Mining
- Financial Activities
- Education and Health Care
- Information
- Manufacturing
- Transportation
- Construction
- Leisure and Hospitality
- Retail Trade

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
A Lot of Government Jobs
Employment by major sector, 2008 Q1 and 2009 Q1

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
What Are Southeast’s Economic Drivers?
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- Government
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- Government
- Fishing
Ex-Vessel Values Rose at Least Through 2008

Source: McDowell Group
Salmon Market Conditions Generally Good:

- Record High Prices in 2008 for King Salmon and Near-Record Prices for Pink and Chum

- King and Coho Get Most Attention, but 90% of Tonnage is Pink and Chum, Which Show Strong Price-Growth Trends Over Last Five Years

- Price for High-Value Species Softened in 2009 But Prices for Pink and Chum Remained Relatively Strong

Source: McDowell Group
Other Fisheries Are Mixed:

- Halibut Quota Has Declined and Prices Have Come Down Since Peaking in 2007; “Substantial Correction” In 2009 Attributed to Domestic Market (Primary Destination for Alaska Halibut)

- Sablefish Quotas Have Declined, but Values Are Up

- Shellfish Value May Decline in 2009

- Herring Value was Up Strongly in 2008 and May Be Again in 2009 (High Volume and Higher Prices for Roe)

Source: McDowell Group
What Are Southeast’s Economic Drivers?

- Government
- Fishing
- Tourism
Alaska Cruise Visitation
1994-2009 (in thousands)

Source: McDowell Group
Next Year Could Be Rough
Cruise Deployment Changes 2009-2010

<table>
<thead>
<tr>
<th>Location</th>
<th>2009</th>
<th>2010</th>
<th>Decrease</th>
<th>% Change</th>
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</thead>
<tbody>
<tr>
<td>Juneau</td>
<td>957,874</td>
<td>807,996</td>
<td>149,878</td>
<td>-16%</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>882,104</td>
<td>770,552</td>
<td>111,582</td>
<td>-13%</td>
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<tr>
<td>Skagway</td>
<td>740,883</td>
<td>647,866</td>
<td>93,017</td>
<td>-13%</td>
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<tr>
<td>Sitka</td>
<td>220,640</td>
<td>130,000</td>
<td>90,640</td>
<td>-41%</td>
</tr>
<tr>
<td>Whittier</td>
<td>214,524</td>
<td>126,000</td>
<td>88,524</td>
<td>-41%</td>
</tr>
<tr>
<td>Seward</td>
<td>159,418</td>
<td>132,100</td>
<td>27,318</td>
<td>-17%</td>
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<tr>
<td>Icy Strait</td>
<td>128,624</td>
<td>115,830</td>
<td>12,794</td>
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<tr>
<td>Haines</td>
<td>43,591</td>
<td>29,784</td>
<td>13,807</td>
<td>-32%</td>
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<tr>
<td>Wrangell</td>
<td>4,468</td>
<td>0</td>
<td>4,468</td>
<td>-100%</td>
</tr>
</tbody>
</table>

Source: McDowell Group
What Are Southeast’s Economic Drivers?

- Government
- Fishing
- Tourism
- Mining
Kensington in the Short-Term and a Lot of Possibility Longer-Term

Average Annual Wages for Select Industries

- Mining
- Construction
- Federal Government
- State Government
- Statewide Average
- Local Government
- Retail Trade
- Hotels and Restaurants

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
What Are Southeast’s Economic Drivers?

- Government
- Fishing
- Tourism
- Mining

Others: Timber, Ship-Building, Retirees and Seekers of the Good Life
Want More?

Dan Robinson
Statewide Economist
Department of Labor & Workforce Development
Research and Analysis
1111 West 8th Street
(907) 465-6036
dan.robinson@alaska.gov